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COPYRIGHT AND THE STATE ACTOR

By: Jim Astrachan

If a tree falls in the forest can you hear it? What is the sound of one hand clapping? If a state illicitly copies a copyrighted work and the owner can't sue the state in federal court, is it infringement? The answer to each of these riddles is similar.

I know little of applause. I know trees grow from the roots up, but not much else. I do know enough about copyright to know that the keys to the copyright riddle are found in the Eleventh Amendment to the United States Constitution, the 1976 Copyright Act and an up and down elevator ride of contradictory decisions of the United States Supreme Court.

Absent a Constitutional enablement, such as the Fourteenth Amendment, specifically empowering Congress to legislate a federal remedy against a state, Congress cannot pass legislation by which a state may be sued in the federal courts. This is because each state, or state agency, is a sovereign entity in the federal system and immune from suit in the federal system by its citizens, or those of another state. This principle of law goes back at least as far as 1890. And because the federal courts have exclusive jurisdiction in copyright cases, denied access to the federal courts means no plaintiff's remedy against a state infringer. That does not mean, of course, that the state has not violated one of the exclusive rights granted by the Copyright Act to a copyright owner; it merely means that the owner is unable to enforce its rights.

This state of the law vis-à-vis a state infringer has not always been so apparent as it is now and the path to this clarity has been up and down. In 1962, the Eighth Circuit Court of Appeals held that the Eleventh Amendment prevents federal jurisdiction over a defendant school district. Other early decisions, including a 1979 case in the Ninth Circuit allowed a federal court to enjoin a state actor from violating federal law, including the copyright law. Some earlier decisions distinguished equitable from monetary remedies, allowing equitable remedies but not damages.

After the effective date of the 1976 Copyright Act, two United States district courts, including one sitting in Virginia, held that injunctive and declaratory relief were available remedies against a state for acts of copyright infringement. Soon after, a United States district court in Michigan held that the Eleventh Amendment immunizes a state or its officials from federal jurisdiction in a copyright infringement action brought for monetary damages. So while it appeared that no monetary damages were available, a state infringer could be enjoined. At least in some jurisdictions.

In 1985, the U.S. Supreme Court ruled that if Congress chooses to subject a state to federal jurisdiction, it can be sued, but it ruled that Congress' intention to do so must be very specific and Congress' actions must not violate the Constitution. The Court held that the 1909 Copyright Act failed

to manifest an unequivocal intent that the states are subject to copyright infringement actions. More importantly, it held that even if by the 1909 Act, or the 1976 Copyright Act, Congress had expressed an intention that a state could be sued in federal court for infringement; Congress did not have the power to abrogate the Eleventh Amendment by hauling a state into federal court to prosecute infringement. This decision was subsequently followed in numerous circuits, including the Fourth Circuit. In the face of this decision Congress took no steps to amend the copyright Act to allow suits against state actors.

But the story didn't end there. Only four years later, in 1989, a bitterly divided Supreme Court, by a 5 to 4 vote, ruled in *Union Gas* that Congress could indeed allow states to be subject to citizens' suits in the federal courts for violating federal environmental laws if congress explicitly authorized such actions. This holding was not lost on Congress, which moved quickly to amend the Copyright Act to allow states to be held liable for copyright infringement in federal courts.

One might have thought *Union Gas* was the last chapter of this up and down story, but it was not. Six years later, in 1996, the Supreme Court, in *Seminole Tribe of Florida*, overruled its *Union Gas* decision and held that the Eleventh Amendment barred Congress from authorizing Indian tribes to sue states for both monetary damages and injunctive relief. The Court wrote:

"In overruling *Union Gas* today, we reconfirm that the background principle of state sovereign immunity embedded in the Eleventh Amendment is not so ephemeral as to dissipate when the subject of the suit is in an area... that is under the exclusive control of the Federal Government."

The dissent indignantly pointed out that this decision would eviscerate a copyright owner's ability to sue a state infringer. Specifically addressing this criticism, the majority, in its opinion, said, in effect, "Yeah, that's right. That's our intent." The paraphrasing is mine.

In 1998 a U.S. District Court in Texas followed *Seminole Tribe* in a copyright infringement suit brought against Texas; relief was denied, and the Fifth Circuit Court of Appeals affirmed. Since that time there have been a few other cases dismissing copyright actions on the basis of the lack of federal jurisdiction over a state or state agency. The law, for now, appears well settled.

Congress has not exempted states from conduct that would be considered infringement under the Copyright Act, but states might as well be if the owner of the copyright is left without recourse or remedy. Perhaps a more seasoned observer of the Supreme Court may be able to predict whether the court will take up this issue once again in what appears to be a five year cycle, and if so, the result.

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